

POST 2006 INITIATIVE

PROGRESS REPORT

WORKING GROUP(S) Utility Service Obligation

DATE 06/03/04

LOCATION Chicago

I ATTENDEES: Fewer participants turned out for this meeting. Representatives from ComEd, Ameren, DCEO, IIEC, Peoples Energy Services, Constellation NewEnergy, Reliant, U.S. Energy Savings Corp., the Cook County State's Attorney office, the City of Chicago Corp. Counsel, and the ICC Staff were in attendance.

II a ISSUES DISCUSSED FROM FINAL ISSUES LIST

This was our third meeting. We reviewed the minutes from the second meeting and agreed to adopt IIEC/Eric Robertson's proposed revisions. The group reviewed ComEd's revised chart and resumed discussion of pre- and post-transition obligations of utilities. The group defined the terms "default service" to be interim supply service that is meant to compensate the utility and provide the customer with a short timeframe to review and chose alternative supply options. The group defined "standard offer service" to mean current bundled rates. There was some general discussion of the Texas Model and whether the Illinois law would accommodate certain provisions of the Texas Model (e.g. third party POLR providers).

With respect to Issue List Item No. 80, the group reached consensus on the following principles:

- (1) The Act imposes load serving obligations on electric utilities to serve large commercial and industrial customers until their respective customer classes are declared competitive or abandoned. This previous statement does not proscribe how the utilities meet these obligations. This should not preclude consideration of the potential for a third-party, who is willing and able to do so, to be statutorily obliged to take on all or part of that obligation.
- (2) The Act imposes load serving obligations on electric utilities to serve all residential and small commercial customers. This previous statement does not proscribe how the utilities meet these obligations. This should not preclude consideration of the potential for a third-party, who is willing and able to do so, to be statutorily obliged to take on all or part of that obligation.

The group was not able to reach consensus regarding whether these POLR products should be bundled or unbundled. The discussion was suspended until the next meeting.

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II b OTHER ISSUES DISCUSSED

A request for conference bridges was reiterated. The co-conveners agreed to raise this issue again on the Friday call.

III PRESENTERS

NONE.

IV PRESENTATION SUMMARIES

NOT APPLICABLE

V CONCLUSIONS REACHED

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2. The Act imposes load serving obligations on electric utilities to serve all residential and small commercial customers. This previous statement does not proscribe how the utilities meet these obligations. This should not preclude consideration of the potential for a third-party, who is willing and able to do so, to be statutorily obliged to take on all or part of that obligation.

VI COMMENTS

There had been circulated previously a memorandum that summarized the Illinois law with respect to utility service obligations and a chart which broke down what services a utility must offer to each customer class. It is expected that, at the next meeting, these documents will be adopted by the group and forwarded to the commission.

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VII TOPICS FOR NEXT MEETING

SEE ABOVE.

VIII TIME AND LOCATION OF NEXT MEETING

06/17/04 at 10:15 am at the ICC's Chicago offices.

M. Pera & K. Papadimitriu
Co-conveners